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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC-WGR-1/83

13 April 1959

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

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Summary of Events
27 March - 9 April 1959

A gift of two shipments of arms from the Czechoslovak government arrived in Conakry, Guinea, on 20 March and 27 March. The shipments were reported to include 8,000 rifles, 3,000 revolvers, 20 machineguns, 50 bazookas, 1,200 boxes of hand grenades, 12 anti-tank guns, 42 field radios, and 150 tons of ammunition. Shortly after receipt of the first shipment, a mission reportedly consisting of a number of Czechoslovak military officers arrived in Conakry.

Nepalese officials have succeeded in changing the Soviet aid offer of \$7.5 million from a loan to a grant, and more Soviet concessions may be made before a final economic assistance agreement is signed between the USSR and Nepal. Joint Nepalese-Soviet negotiating committees have been established to consider projects in the fields of transportation and communications, commerce, industry, health, agriculture, and power. Nepal accepted a 50-bed hospital in June 1958 and reportedly is prepared to accept offers of sugar, paper, and cigarette factories.

The governments of Ceylon and Communist China signed an air transport agreement on 26 March.

Singapore importers of Chinese Communist products have learned that China will no longer grant the customary short-term letters of credit but will require full payment in advance.

A marked increase in Bloc activity in Ghana has been evident in recent weeks.

A Soviet cargo vessel docked at Tampico, Mexico, on 20 March and unloaded 600 tons of Soviet agricultural equipment consigned to the Mexican Communist Party. The equipment, which included 100 tractors and 2 threshing machines, will be exhibited in a May Day parade in Torreón and subsequently sold in the Laguna area through

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the Communist-dominated Union of Collective Farm Credit Societies 1940-1959.

Brazil and Poland have signed a payments agreement, reportedly in order to facilitate the fulfillment of contracts for the delivery to Brazil of Polish ships and possibly other goods including rolling stock. Negotiations are also said to be under way for contracts for delivery to Brazil of complete shipyards, electric powerplants, and industrial installations as well as for increasing deliveries of Polish ships, tractors, and agricultural machinery.

The government of the Argentine province of San Luis signed a contract on 20 March with the Czechoslovak firm Technoexport to construct and equip a cement plant. The plant, which will have a daily capacity of 350 tons, will cost \$3.7 million.

Bloc countries have continued to participate actively in international trade fairs. During 1958 they displayed their products in 195 trade fairs, exhibitions, and specialty shows compared with 194 in 1957 and 258 in 1956.

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Sino-Soviet Bloc Participation in International
Trade Fairs and Exhibitions, 1958

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